Lockheed Martin to pay $5 million

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Staff report

Lockheed Martin and its subsidiaries have agreed to pay $5 million to the federal government, resolving two lawsuits stemming from their handling of hazardous waste at the Paducah Gaseous Diffusion Plant decades ago.

The settlement, announced Monday by the U.S. Department of Justice, resolves allegations Lockheed Martin violated the Resource Conservation and Recovery Act (RCRA) and, in misrepresenting compliance with the RCRA to the Department of Energy, knowingly submitted false claims for payment under a DOE contract to operate the Paducah plant.

"We depend on the private sector to provide services critical to the government's energy needs and to provide those services by means that are environmentally sound," said Deputy Assistant Attorney General Benjamin C. Mizer, head of the Justice Department's civil division. "As the settlement demonstrates, the department will vigorously pursue all appropriate remedies to ensure those who provide these vital services do so honestly and safely and in accordance with the law."

Lockheed Martin operated the PGDP under contracts with DOE and a government corporation, the U.S. Enrichment Corporation, from 1984 to 1999. Lockheed Martin was responsible for the facility's uranium enrichment operations as well as environmental restoration, waste management and custodial care at the site.

"Government contractors are required to follow the same federal laws that apply to everyone else," said John E. Kuhn Jr., U.S. attorney for the Western District of Kentucky. "These companies do not get a pass on compliance, especially when their responsibilities include managing and disposing of hazardous waste."

Of the $5 million settlement, Lockheed Martin will pay $4 million to resolve the government's False Claims Act allegations and its subsidiaries (Lockheed Martin Energy Systems and Lockheed Martin Utility Services) will each pay $500,000 in RCRA civil penalties.

The Paducah plant opened in 1952 and played a vital role in the production of enriched uranium during and after the Cold War until ceasing production for commercial reactor fuel purposes in 2013.